

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 1999-006-G - ORDER NO. 2000-590  
JULY 20, 2000

IN RE: Annual Review of Purchased Gas Adjustment ) ORDER ON OUT OF *vdw*  
(PGA) and Gas Purchasing Policies of South ) PERIOD ADJUSTMENT  
Carolina Electric & Gas Company. )

This matter comes before the Public Service Commission of South Carolina (the Commission) on the letter of South Carolina Electric & Gas Company (SCE&G or the Company) which requests approval of an out of period adjustment to the cost of gas component. SCE&G requests approval of a proposed cost of gas adjustment from the current rate of 54.334 cents per therm to 68.835 cents per therm effective with the first billing cycle in August, 2000. The 54.334 cents per therm cost of gas was approved pursuant to our Order No. 99-782.

The Company states in support of the adjustment that natural gas prices have risen dramatically across the country in recent months. Since the last formal proceeding, the NYMEX price of gas has increased \$1.228 per dekatherm.

Accordingly, the Company requests that it be allowed to increase its cost of gas component by 14.501 cents per therm, from 54.334 cents per therm to 68.835 cents per therm, effective with first billing cycle in August 2000. The Company states that this increase would enable it to adequately recover the anticipated cost of gas through the period ended October 2001.

SCE&G points out that this Commission through Docket No. 87-426-G, Order No. 88-578, allows the Company to seek out of period adjustments if significant changes in the cost of gas occur. The Company believes that the unexpected increase in the cost of natural gas is sufficient reason to justify an out of period adjustment, and that the Commission has the authority to act on the request without a public hearing, as per Docket No. 96-010-G, Order No. 96-839. SCE&G notes that it is not attempting to circumvent the annual PGA review process.

The Consumer Advocate for the State of South Carolina (the Consumer Advocate) requests that we delay approval of this request until an explanation is provided detailing the benefits which SCE&G receives, if any, from South Carolina Pipeline Corporation's hedging program. In the alternative, the Consumer Advocate requests that information on this topic be provided in the pre-filed testimony in the Company's PGA filing, which is set for hearing in October.

We decline to delay approval, and, in fact, grant the Company's request. A delay in approval, in our opinion, would exacerbate the difficulty that the Company has in recovering its gas costs. The Company may raise its cost of gas component as requested, beginning with the first billing cycle in August 2000. The Company shall file tariffs and rate schedules within five (5) days of the receipt of this Order reflecting the change. The PGA review shall proceed as scheduled, however. We do grant the Consumer Advocate's alternative request, and hold that the Company shall present testimony with regard to how it is benefited by South Carolina Pipeline Corporation's hedging program. The Consumer

JULY 20, 2000

PAGE 3

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Advocate is free to air any concerns it may have with regard to the increase at the time of the PGA review.

This Order shall remain in full force and effect until further Order of the Commission.

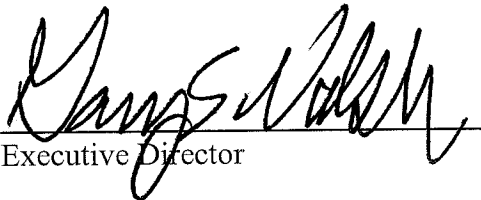
BY ORDER OF THE COMMISSIN:



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Chairman

ATTEST:



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Executive Director

(SEAL)